



**Agenda Item Number: 2005-5-7B**

## **BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS**

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**Meeting Date:** May 24, 2005

**Department:** Finance **Staff Contact:** Hughes & Strumor, Ltd. Co.  
Thaddeus Lucero, Manager  
Dan Mayfield, Deputy County Manager for  
Finance

**TITLE:** Sale of Tax and Revenue Anticipation Notes

**ACTION:** Motion to approve Financial Resolution **FR -2005** authorizing the issuance and sale of Bernalillo County, New Mexico Tax and Revenue Anticipation Notes, Series 2005, in the aggregate principal amount not to exceed \$30,000,000.

### **SUMMARY:**

Tax and Revenue Anticipation Notes (TRAN) are short-term obligations of a municipal government that are used to finance current expenditures pending receipt of tax payments. TRAN proceeds allow the County to reduce fluctuations in cash flow due to the fact that certain revenues, especially property taxes, are not received evenly each month. The resulting increase in the cash balance is available for investment. The difference between the interest earned by investing the TRAN proceeds and the interest paid on the debt represents additional investment revenue for the County.

Projected interest income for FY05-06 from Tax and Revenue Anticipation Note transactions is \$600,000. The Deputy County Manager for Finance will coordinate with Bond Counsel and the County Treasurer to immediately invest the proceeds in order to maximize the investment revenue on this transaction.

Budgeted FY05-06 property tax and gross receipts tax collections have been evaluated and it has been determined that the proceeds from this TRAN are necessary in order to minimize the County's cash flow fluctuations.

### **ATTACHMENT:**

1. Financial Resolution **FR -2005** authorizing the issuance and sale of Bernalillo County, New Mexico Tax and Revenue Anticipation Notes, Series 2005.

### **FISCAL IMPACT**

Forecasted investment income from this TRAN is \$126,740.50.

# **STAFF ANALYSIS SUMMARY**

## **COUNTY MANAGER**

See Summary

## **DIVISION DIRECTOR**

See Summary

## **FINANCE**

The resolution allows the sale of the TRAN for an amount not to exceed \$30,000,000. The final amount of the TRAN will be established with Bond Counsel upon analysis of the County's reserves and evaluation of the effect of the TRAN sold in December 2004 upon the County's cash flow and reserves. Dan Mayfield, Deputy County Manager 05/11/05

## **ELECTED OFFICIAL/OTHERS**

### **TREASURER**

Investment of the TRAN proceeds will be invested with the prudent man rule with which is safety, liquidity and yield to maximize investment revenue for the county. Patrick Padilla, Treasurer 05/18/05